

PERFORMANCE REVIEW PROCESS

SERS Executive Director



amended 12/05/2018 to be effective 01/01/2019

EXPLANATION:

Effective **performance management** involves setting performance expectations, monitoring progress, measuring results, appraising performance, mentoring as appropriate, and rewarding or correcting employee performance. Performance management is ongoing.

This is in contrast to an **employee performance review (EPR)**. An EPR is a periodic work performance review of how much, how well, and the manner by which an employee performed duties and responsibilities during a specified evaluation period.

SERS' Executive Director (ED) is one of the highest-level and most prominent positions within the agency. It is this position which establishes the culture, values, and expectations for the rest of the agency. Therefore, it is critical that this position be subject to thorough and thoughtful performance management and critique.

This process provides guidance for the completion of the performance evaluation for this highly visible and critical position.

METHODOLOGY:

SERS' board has authority to hire the Executive Director and as such, SERS' board has the responsibility to review the performance and provide feedback to the individual in this position.

SERS has elected to use the Senior Management Service Performance Evaluation System evaluation form to evaluate performance for the Executive Director.

There are five specific factors on the evaluation form that focus on management competencies. The factors are:

- **Leadership** – measures commitment to excellence, development and implementation of strategic vision, ability to achieve results, and learning from successes and shortcomings
- **Planning** – measures excellence in strategic planning, change management, project planning and maximization of resources
- **Management** – measures the effectiveness of managing programs, operations, and human, financial, and technological resources
- **Interpersonal relations** – measures the ability to establish and maintain interpersonal relationships, effectiveness of communications, and degree of positive engagement with others
- **Results** – measures excellence in achievement and evaluation of organizational goals within established timeframes

Each of the five factors is rated using a five point scale:

- Far Exceeds Expectations
- Exceeds Expectations
- Meets Expectations
- Needs Improvement
- Unsatisfactory

The **Overall Rating** on the EPR form is a composite assessment of the employee's work performance and the factors contributing to the accomplishment of goals and success in meeting

expectations. Recognizing that certain factors may be more important than others, each factor rating need not be of equal weight. Overall comments should justify the overall assessment of the employee's performance.

The **Summary of Employee's Strengths** should identify strong attributes, abilities, and proficiencies of the employee.

The **Summary of Opportunities for Employee Development** should identify areas where the employee should expand or increase his/her knowledge/skill or adjust behavior to address areas of concern or further develop for professional growth and/or success.

PROCESS:

The annual **rating cycle** for the Executive Director is the calendar year, which runs January 1st through December 31st. The process outlined below focuses on the annual rating period. There may be times when it is appropriate to issue an interim performance evaluation. Interim evaluations are at the discretion of the Chairperson and SERS board.

The SERS Human Resources Director is available to assist, as needed, with the execution of this process. The SERS Human Resources Director, as directed by the Chairperson, will make modifications and updates to this process.

The Executive Director reports to the board and it is important to have board member input into the annual evaluation of this position. The Chairperson may find it equally important to gain perspective from individuals who work with the position on a regular basis. The Chairperson may solicit performance feedback from the board, board designees, and any or all of SERS' senior staff members. SERS' senior staff members are:

- Chief Compliance Officer
- Chief Counsel
- Chief Financial Officer
- Chief Information Officer
- Chief Investment Officer
- Director, Communications and Policy Office
- Director, Human Resources Division
- Director, Internal Audits
- Director, Office of Member Services

NOTE: All senior managers are supervised by the Executive Director, with the exception of the Chief Compliance Officer position which reports to the Chief Counsel. As such, even though the senior managers work closely with the Executive Director, it is not a common SERS practice to solicit performance input from subordinate staff. During each evaluation period, the Chairperson should consider the circumstances/appropriateness of soliciting feedback from the senior managers for the performance review of the Executive Director. It is also the Chairperson's discretion to incorporate or exclude such feedback from the final Executive Director performance evaluation.

Schedule of Action Items

November	December (rating cycle ends)	January (rating cycle begins)	June (mid-year report)	July (progress review)
<p>SERS-HR compiles information to be sent to Board Chairperson by December 1st.</p> <ul style="list-style-type: none"> Senior Management Service Performance Evaluation System form <ul style="list-style-type: none"> Template Completed form from prior evaluation period Goals/Expectations <ul style="list-style-type: none"> Template Goals/expectations from prior evaluation period SERS General Performance Standards SERS Performance Evaluation Input form 	<p>Board Chairperson obtains performance feedback from appropriate parties.</p> <ul style="list-style-type: none"> Board Members and Designees Senior Managers (Chairperson's discretion) <p>Chairperson solicits input on new performance goals/expectations from Board Members and Designees.</p> <p>Goals/expectations should:</p> <ul style="list-style-type: none"> Align with agency policy, strategic plans, objectives, and priorities Align with the rating categories on the Senior Management Service Performance Evaluation System form 	<p>Board Chairperson drafts the Senior Management Service Performance Evaluation System form and performance goals/expectations incorporating relevant feedback at his/her discretion.</p> <p>Board Governance and Personnel Committee review the draft Senior Management Service Performance Evaluation System form and goals/expectations. Committee suggests modifications if appropriate.</p> <p>Board Chairperson meets with Executive Director by January 31st to issue performance evaluation and goals/expectations. The Board Chairperson and Executive Director sign the Senior Management Service Performance Evaluation System form. If the Executive Director refuses to sign the form, the Chairperson makes note of such on the form.</p> <ul style="list-style-type: none"> Completed copies to SERS-HR for retention in official personnel file Copies to Executive Director Copies to Board Chairperson <p>Note(s): If Board Chairperson and Board Governance and Personnel Committee cannot resolve disagreements about the evaluation, the matter is escalated to the entire SERS Board for review and resolution.</p> <p>If a new Executive Director is hired during the rating cycle, the performance goals/expectations will be provided to the new Executive Director within the first month of employment.</p> <p>SERS Performance Evaluation Input forms are retained by the Board Chairperson and will be made available for review upon request.</p>	<p>SERS-HR emails reminder notice by June 1st to Executive Director and Board Chairperson informing them that by June 30th the Executive Director is to provide a status report to the Board Chairperson and Board Governance and Personnel Committee on the status of goals/expectations.</p> <p>Executive Director provides the required mid-year report by June 30th.</p>	<p>Board Chairperson meets with the Executive Director by July 31st to discuss any performance issues identified as a result of the mid-year report.</p>

Updates

07/22/2015	Board approved one combined policy for Executive Director and Chief Investment Officer Performance Review Process.
01/??/2017	Updated to remove CIO from the process; CIO now reports to Executive Director
12/05/2018	Board approved amendments updating committee name and review process with 01/01/2019 effective date.